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Brazil

Broiler

Broiler production in Brazil in 2007 is projected at 10.1 million metric tons. That represents an 8% increase from the same period in 2006. The increase in production was mostly due to a rebound in the export of broiler meat to traditional and new markets. Poultry exports from Brazil increased by 21% in January through August of 2007 when compared to the same time period in 2006. Brazil also saw an increase in domestic demand due mostly to a higher employment rate resulting in more consumer purchasing power and a higher demand for animal protein.

Domestic broiler consumption in Brazil is expected to increase 4% in 2008. The increase is due to continuing increases in employment and consumer purchasing power. Broiler meat is also more affordable than other meats to lower income consumers than beef or pork. There is also expected to be an increase in demand from the food service industry for further processed poultry items. The middle to upper class demand for poultry has shifted from the traditional whole bird to a higher demand for broiler parts and more further processed and value added or branded products.

Broiler meat exports from Brazil are expected to increase by over 5% in 2008. The increase is due mostly to higher world demand for broilers. World demand has been pushed up by less global concern over avian influenza and an aggressive marketing campaign by Brazilian poultry exporters.

Brazil Broiler Meat Exports January – August in Metric Tons

Country	Jan-Aug2006	Jan-Aug 2007
U.S	0	0
Angola	20,172	23,452
China	25,910	11,750
EU	249,500	322,750
Hong Kong	191,082	236,501
Japan	226,043	214,905
Kuwait	54,000	87,023
Russia	140,428	127,357
Saudi Arabia	211,524	251,153
Singapore	46,073	58,929
South Africa	135,555	118,823
UAE	86,082	128,950
Venezuela	101,514	103,017
Others	237,980	409,623
Total:	**1,725,863**	**2,094,233**

Brazil Export Increases January – August 2007 Compared to the same time period in 2006

Country	Increase
Arab Emirates	50%
EU	30%
Hong Kong	24%
Saudi Arabia	19%

Turkey

During January through August of 2007 turkey exports increased by 12 percent when compared to the same time period in 2006. Turkey exports from Brazil are expected to increase by 11% in 2008. The expected increase is due mostly to increased demand in the European Union.

Turkey production is expected to increase by 10% in 2008. The expected increase will be primarily due to strong domestic and export demand.

The same factors that pushed up the expected consumption of broiler meat in Brazil are expected to do the same for turkey consumption. Those factors were increased employment and higher disposable income. Traditionally turkey consumption in Brazil has been highly seasonal occurring mostly during the Christmas holiday season. Consumer trends are beginning to show more interest in consuming turkey products, mostly further processed and frozen entrees, throughout the entire year.

Brazil Turkey Meat Exports January – August

Country	Jan-Aug2006	Jan-Aug 2007
U.S	0	0
Angola	1,450	2,133
Cuba	609	397
EU	45,716	59,147
Gabon	3,834	4,524
Peru	1,194	1,237
Russia	9,189	3,959
South Africa	9,906	9,056
Others	28,689	31,879
Total:	**100,587**	**112,332**

Poultry Production Costs

During the fist six months of 2007, the estimated average cost to product broilers increased 18.3% over the same period in 2006. The largest cost increase came from feed costs. The feed costs are expected to stay high despite an estimated record corn and soybean crops in Brazil this year. The federal government will likely maintain subsidized funds to cover corn producer's cost of production but there is much concern in the country about the impact of ethanol on world commodity prices.

Sao Paulo Broiler Production Costs and Wholesale Prices for Broilers (U.S. Dollars/Kilogram)

		Whole Sale Prices	
Year	Broiler Cost Live Weight	Live Weight	Ready to Cook
2000	.47	.50	.68
2001	.38	.41	.53
2002	.39	.39	.50
2003	.47	.47	.54
2004	.51	.51	.54
2005	.55	.56	.55
2006	.57	.54	.65
2007(est.)	.74	.91	1.02

Source: USDA/FAS

INSPECTED EGG PRODUCTS – U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending Sept 29, 2007			Year-To-Date	
Type	2007	2006 /1	2007 /2	2006
Liquid	52	547	2,867	8,119
Frozen	4	0	69	172
Dried	0	1	489	491
Total	56	548	3,425	8,782

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Sept 29, 2007			Year-To-Date	
Type	2007	2006 /1	2007 /2	2006
Liquid	269	102	12,373	2,973
Frozen	0	4	276	870
Dried	0	0	739	66
Total	269	106	13,388	3,909

Inspected Shell Eggs

U.S Exports To Canada, In 30-Dozen Cases (Preliminary)

Week Ending Sept 29, 2007			Year-To-Date	
	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	2,000	2,220	39,239	69,891
Large	3,925	3,900	62,875	132,426
Medium	1,740	750	44,249	68,412
Ungraded	9,900	23,100	85,538	130,718
Misc	0	0	7,105	6,975
Total	17,565	29,970	239,006	408,572

/1 Comparable Week, to-date figures may not total due to rounding.
/2 Includes revisions to previous week(s).

Data Source:Agriculture and Agri-Food Canada, AISD, AID, Poultry Section
SOURCE: USDA AMS Poultry Programs, Market News & Analysis Branch

U.S./CANADIAN LIVE POULTRY SLTRD UNDER INSPECTION

W/E 29-Sept-07 (Preliminary)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
		THOUSANDS	
Head	1,050	1,546	2,596
Last Week	1,102	1,548	2,650
Same week yr ago	1,173	1,501	2,674
To-date/2007	42,950	56,641	99,591
To-date/2006	42,791	57,674	100,465

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
		THOUSANDS	
Head	290	0	290
Last Week	303	0	303
Same week yr ago	185	4	189
To-date/2007	10,117	26	10,143
To-date/2006	6,149	30	6,179

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
		THOUSANDS	
Head	1,340	1,546	2,886
Last Week	1,405	1,548	2,953
Same week yr ago	1,358	1,505	2,863
To-date/2007	53,067	56,667	109,734
To-date/2006	48,940	57,704	106,644

SOURCE: USDA AMS Poultry Programs, Market News & Analysis Branch
Washington, DC

*****On January 4, 2008 these reports will be combined into the new National Mechanically Separated Chicken report and will no longer be available as separate reports. Until then, the new National MSC report will run concurrently.*****

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

OCT 05, 2007

CHICKEN WITH SKIN ADDED ---- PRICES ---- ----- VOLUME -----
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00	61,200	-
WTD AVERAGE		16.00		
15-20%				
RANGE	17.50-20.00	11.00-15.00	834,000	489,600
WTD AVERAGE	19.17	11.78		
20% OR MORE				
RANGE	-	13.50	81,600	-
WTD AVERAGE		13.50		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

OCT 05, 2007

CHICKEN WITH SKIN ADDED ---- PRICES ---- ----- VOLUME -----
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.00	15.00-16.00	421,800	261,800
WTD AVERAGE	18.00	15.75		
15-20%				
RANGE	16.00-21.00	11.00-16.00	1,800,000	1,040,000
WTD AVERAGE	18.50	13.58		
20% OR MORE				
RANGE	-	14.00	80,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 05 OCTOBER 2007.

The market tone on fresh tom breast meat was weak. Offerings of fresh tom breast meat was adequate for the limited inquiry. The market tone on frozen scapula and wing meat was barely steady to weak. Demand was very limited. Parts and meats trading was slow. Offerings of parts was light. The market tone on parts was mostly steady. Domestic: fresh wing meat 95 cents, fresh scapula 113-115 cents, frozen hearts 24 cents and gizzards 84 cents.

EXPORT TRADING **FRIDAY, OCTOBER 05, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**	**WEEKLY WTD AVG PRICE**	**WEEKLY VOLUME (000)**
DRUMSTICKS, TOMS	60.00		60.00	40	59.76	334
WINGS FULL-CUT - TOMS		R	48.86	148	48.89	188
WINGS, V-TYPE, TOM	59.00		59.00	324	59.00	324
TAILS		R	26.40	50	26.40	50
MECHANICALLY SEPARATED 2/	19.00		19.00	40	19.00	40
THIGH MEAT - FROZEN	89.00		89.00	160	89.14	294

EXPORT TRADING **THURSDAY, OCTOBER 04, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS	59.00-60.00		59.33	120
WINGS FULL-CUT - TOMS	48.50-49.00		48.86	148
WINGS, V-TYPE, TOM				
TAILS	25.00-32.00		26.40	50
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		W	90.00	40

EXPORT TRADING **WEDNESDAY, OCTOBER 03, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS		T	60.00	54
WINGS FULL-CUT - TOMS	49.00		49.00	40
WINGS, V-TYPE, TOM				
TAILS		R	25.50	52
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	90.00		90.00	40

EXPORT TRADING **TUESDAY, OCTOBER 02, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS	60.00		60.00	54
WINGS FULL-CUT - TOMS		R	49.00	40
WINGS, V-TYPE, TOM				
TAILS		R	25.50	52
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	89.00		89.00	40

EXPORT TRADING **MONDAY, OCTOBER 01, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS	60.00		60.00	120
WINGS FULL-CUT - TOMS		R	49.00	40
WINGS, V-TYPE, TOM				
TAILS		R	25.50	52
MECHANICALLY SEPARATED 2/		M	17.50	208
THIGH MEAT - FROZEN	89.00		89.00	54

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY
2/ Product contains 15/20% fat with skin added.